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Vegan Market is Cooking in Germany

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Product Brief

Agricultural Situation

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Report Highlights:

In Germany veganism has become increasingly popular and it is home to the most vegan product launches in the world. Recent articles with titles such as, "Germany is the vegan capital of the world" name Berlin as the "vegan Mecca." This creates export opportunities for U.S. companies as most major vegan food producers are based in the United States. There is good potential for meat and dairy substitutes as well as breakfast foods.

General Information:

I. Executive Summary

In recent years, the German vegan population (defined here as people who do not eat or use animal products) has rapidly expanded. As of 2015, the vegetarian/vegan market was worth \$520 million and saw a growth rate of 17%. In 2015, 10% of new food and drink product launches in Germany were vegan - an increase from 3% in 2013. This is the result of a population that is increasingly concerned about animal welfare, the environment, and, especially, their health. Because of this, there is an emphasis in the vegan market on unprocessed, natural, and wholesome products. Much of the vegan population sees veganism as a lifestyle choice.

II. The German Vegetarian/Vegan Consumer

According to the European Vegetarian Union, 10% of German consumers (7.8 million individuals) are vegetarians, and 1.1% are vegans (900,000 individuals), though other sources note a prevalence. These numbers have doubled since 2006. Some estimates claim that every day the vegetarian and vegan populations in Germany increase by 2,000 and 200, respectfully. Many believe that these numbers will only continue to increase.

In the study, “Prevalence of Persons Following a Vegetarian Diet in Germany” conducted in 2016, 6.1% of women were vegetarian/vegan compared to only 2.5% of men. Amongst 18 to 29 year olds, 9.2% of women and 5.0% of men were vegetarian/vegan. Vegetarians/vegans tended to be more educated, live in large cities, and be physically active for 4+ hours a week. Additionally, being vegetarian/vegan affected their diet beyond animal products. They drank less energy drinks, beer, or wine but more tea. Female vegetarians drank less spirits, and male vegetarians drank less coffee and ate fewer potatoes but more pasta and rice. The dietary changes reflect the importance of health and wellness in the vegetarian/vegan culture of Germany.

In “Dietary intakes and lifestyle factors of a vegan population in Germany: Results from the German Vegan Study,” when asked why they became vegan, 41.6% of the participants cited ethical reasons, and 48.7% cited health reasons. Others cited the importance of the environment in becoming vegan as well. Most vegans see veganism as a way of life, not just a dietary restriction.

Aside from avoidance of animal products, vegan culture in Germany prioritizes unprocessed, natural, and wholesome products, more specifically organic, no additives, no/low allergens, and gluten-free.

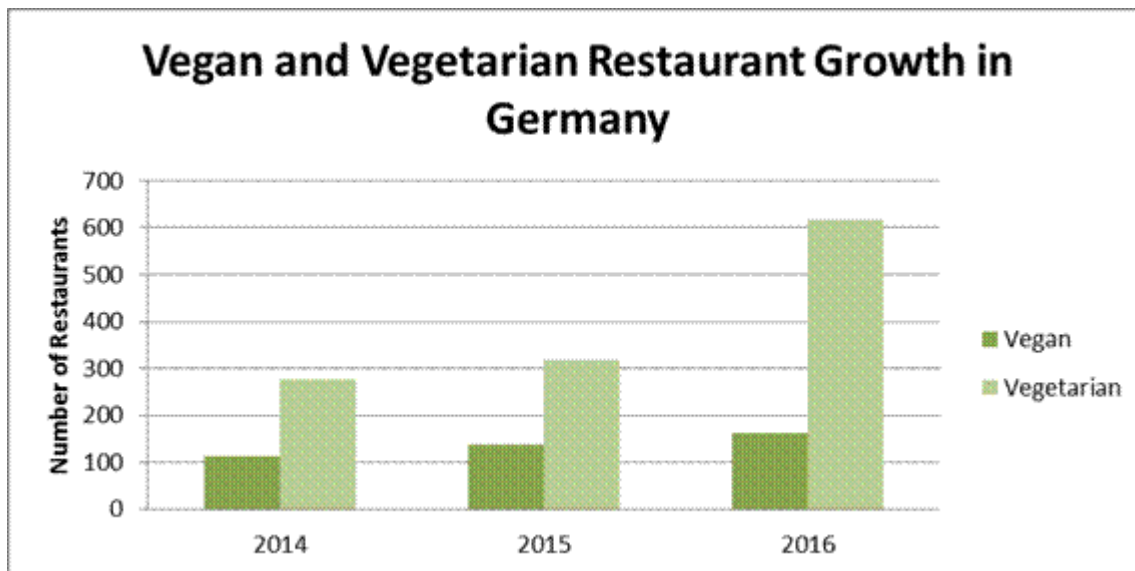
About 35% of all German adults avoid foods with additives and preservatives. This is especially important for the growing flexitarian population (consumers that eat mostly a plant-based diet with occasional inclusion of meat) in Germany who also focus on vegan/vegetarian products that fulfill these standards.

Breaking down this population by region, the majority of flexitarians live in Baden-Wuerttemberg and Bavaria with 23% and Saxony, Saxony-Anhalt, and Thuringia with 15%. Vegetarians are more likely to live in Baden- Württemberg and Bavaria followed closely by Bremen, Hamburg, Mecklenburg-Vorpommern, Lower Saxony, and Schleswig-Holstein.

III. The Market

The vegan market is strong and growing in Germany. Germany opened the first vegan supermarket chain, Veganz, in Berlin in 2011. Veganz imports goods from 30+ countries. Until May of this year, the supermarket had ten branches across Europe. However, five of these branches were shut down after Veganz declared bankruptcy. Three of the remaining branches are in Berlin, and the other two are in Vienna and Prague. Interestingly, the chain stated that the bankruptcy was a result of increased competition, not a lack of demand. Veganz is also not the only vegan general store in Germany. Two others include Dr. Pogo and Vallagares.

There has also been a rapid growth of vegan food development and restaurants. In 2016, 18% of worldwide vegan food and drink product launches occurred in Germany; the United States came in second at 17%. In 2012, only 1% of these launches occurred in Germany, which highlights the massive growth of the market in recent years. Between 2011 and 2015, there was a 20-fold increase in vegan ready-made foods. In 2015, the vegan/vegetarian market was worth \$520 million as a result of a 17% growth rate. The Vegetarian Federation of Germany (VEBU) recorded a 17.5% growth in 2016 in vegan catering establishments throughout Germany compared to 2015.



Source: VEBU

Berlin reflects this growth. Happy Cow, a site that tracks vegetarian and vegan eating options worldwide, lists 54 vegan restaurants in Berlin alone. The website dubbed Berlin as the, “vegan mecca.” Berlin is also the host for the largest vegan summer festival in Europe. In 2017, the festival takes place from August 25-27 in Alexanderplatz for the tenth time. Sponsors of the event include VEBU, Veganz, Berlin-Vegan, and many more major vegan cooperators. Additionally, in Berlin, there is Schivelbeiner Straße, which is a block dedicated to vegan food, clothes, and restaurants. As mentioned, this ties into the idea of not just a vegan diet but rather a lifestyle, which also connects with the organic market.



Veganz located at Schivelbeiner Straße

Consumer sales in the German organic market total \$9 billion per year with 1.1% compound annual growth rate (CAGR), making Germany the second largest organic market in the world, after the United States. Four million dollars, or about \$50 per capita, is dedicated to organic packaged foods and beverages. For more information, see [the German Organic Food Retail Report](#).

IV. Labeling

Germany has gone so far as to create legal definitions of vegan and vegetarian for food labeling. To be defined as vegan, foods must not be of animal origin or contain ingredients, processing aides, or other substances of any animal origin. Vegetarian goods have the same restrictions as vegan ones except that they may contain milk, colostrum, eggs, honey, beeswax, propolis, or wool grease. These legal definitions do not differ from the usual U.S. definitions, though they do not have the legal standing.

The EU-vegetarian label has become a well-recognized, registered symbol for labelling vegan and vegetarian products and services as seen below:



V. Best Product Prospects

According to the Institute for Commercial Research (IFH) in Cologne, the three top-selling product groups are vegetarian-vegan meat and milk alternatives, and the "breakfast" category.

1. Meat substitutes:
 - From 2010-2015, sales of meat substitutes have increased by 22.4% CAGR.
 - There is room for future growth, but substitutes are usually seen as a transition food rather than a long-term staple of a vegan diet.
 - Meat substitutes are the most popular processed vegan products.
2. Dairy product substitutes:

- It is important to note that the European Court of Justice very recently ruled in a case that says dairy terms, such as milk and butter, cannot be used on plant-based products that are designed as substitutes.
- The current market leader of milk alternatives announced a turnover increase of 20% in 2014. This coincides with the figures of the Association for Consumer Research (Gesellschaft für Konsumforschung), with plant milk experiencing an increase of 15% and soy yogurt 43%.

3. Breakfast foods like muesli, cornflakes, and spreads on the basis of herbs, seeds, nuts, legumes, vegetables, and vegetable oils

4. Any products that are organic, gluten-free, have no allergens, or no additives.

VI. Competition

Most major vegan food producers are based in the United States. The United States has most of the staple meat substitute companies for instance.



Source: Tofurky



Source: MorningStar Farms

However, there are several competitors in Canada. Additionally, the number of vegan producers, especially in places like Germany, is growing as the market expands rapidly. The majority of European vegan competition is based in the UK. A list of some major European vegan producers includes:

Company (Country of Origin)	Products
Alpro (Belgium)	organic and non-organic, non-GMO soy-based products
Happidog (UK)	vegetarian hot dogs
Innocent (UK)	juices and smoothies
Plamil Foods (UK)	soy milk, horchata, egg-free mayonnaise, chocolate, and carbo bars
K-Take it Veggie (Germany)	bread spreads, dairy and meat alternatives, and prepared foods

It is important to note that this is not an exhaustive list, especially considering major companies produce vegan products as only a portion of their inventory rather than the entirety. This includes but is not limited to:

- Erasco
- Kühne
- Lambertz
- Pfanner
- RUF

VII. Biofach Trade Show

Biofach trade show is the world's leading trade show for organic foods with almost 3,000 exhibitors and over 51,000 visitors (about half of which are from Germany) at the 2017 trade show. This past year, there were also lectures and discussions specific to the vegan movement, including "Experience the World of Vegan." Biofach is a great opportunity for U.S. companies to connect with importers and retailers and promote their products. Biofach 2018 will take place on February 14-18, 2018 in Nuremburg, Germany.

To sign-up as an exhibitor or visitor for Biofach 2018, visit <https://www.biofach.de/en/contact>. For more information on Biofach and participation, contact the U.S. Office of Agricultural Affairs in Berlin.

VIII. Post Contact and Further Information

If you have questions or comments regarding this report, or need assistance exporting to Germany, please contact the U.S. Office of Agricultural Affairs in Berlin:

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